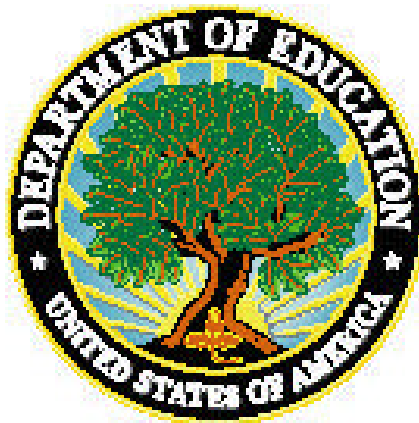


# **SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN**



May 23, 2000

# LEGACY CONTRACT TRANSITION PLAN FOR THE U.S. DEPARTMENT OF EDUCATION - OFFICE OF STUDENT FINANCIAL ASSISTANCE

## PURPOSE

This document describes the Legacy Contract Transition Plan (“The Plan”) of the U.S. Department of Education (“ED”) - Office of Student Financial Assistance (“SFA”) regarding contract that expire in Fiscal Year (“FY”) 2000. The Plan is required in order to continue providing **uninterrupted, mission-critical** service to SFA organizations and its customers and partners, without making long-term commitments, which could run counter to the modernization programs being developed by SFA and its Modernization Partner – Andersen Consulting.

## OVERVIEW

SFA is responsible for the managing and administering of Title IV student financial assistance programs as legislated under the Higher Education Act of 1965 – as amended. Under the Higher Education Amendments of 1998, SFA was transformed into a Performance Based Organization (“PBO”) to enhance government services through increased flexibility and performance incentives in exchange for greater accountability for results.

As outlined in the SFA Modernization Blueprint, the SFA is seeking to develop a long-term acquisition strategy that will allow it to achieve the following goals:

- Increasing Customer Service;
- Reducing Operating Costs;
- Increasing Employee Satisfaction.

To accomplish these goals, SFA is pursuing a three-pronged approach, which includes the following:

- Re-engineering Contract Management;
- Instituting “Performance-Based” contracts for delivery of all goods and services;
- Leveraging Legacy IT systems and implementing new state-of-the-art technology, while reducing the cost of delivering services.

A contract was awarded to Andersen Consulting (“AC”) in July 1999 to serve as SFA’s Modernization Partner. AC has produce a “Quick Hits” study, which identifies actions that should be undertaken immediately to allow SFA to quickly move towards meeting its goals. More importantly, in March 2000, AC issued the Modernization Sequencing Plan (“MSP”), which outlined the initiatives AC is recommending SFA undertake to achieve its goals. AC is in the process of working with all levels of SFA to develop a Systems Architecture and to achieve agreement on the MSP. The MSP defines the initiatives AC is recommending SFA undertake. The Plan is dependent on the approval by the SFA Management Council of the initiatives recommended by AC, the effects of these initiatives on the individual SFA Systems and the timeline for the development and implementation of these initiatives. SFA is dedicated to obtaining “buy-in” from several levels of stakeholders – and this will require some time after the issuance of the MSP. Therefore, the Plan, which will change based on these factors which will not be finalized until at least mid-calendar year 2000.

The Plan is required to continue providing **uninterrupted, mission-critical** service to SFA organizations and its customers and partners, without making long-term commitments, which could run counter to the modernization programs being developed by SFA and AC. At the same time, the Plan will attempt to include performance measures and the implementation of the Modernization Blueprint objectives as part of each contract action.

## **LEGACY CONTRACT TRANSITION PLAN CONCEPT**

Extensive interviews with program personnel (Business Managers, COTR’s and CO’s) were conducted for each program. The Plan presented herein has been tailored for and approved by the respective Business Manager of each program. In some cases, a short-term extension will be necessary, since preliminary indications are that the final SFA architecture and PSRP will re-engineer the functions covered under that specific contract(s). In other cases, a longer-term extension will be needed because –

- There are no indications of how the architecture will encompass the particular functions covered under that specific contract(s), and
- Recompetition for what might ultimately be a short-term contract would be disruptive to the program and to SFA customers.

In other cases, competition has already been undertaken or will be undertaken in the near future. See Status Report attached.

## **RISKS**

The risks of taking no action while waiting for the development and approval of systems architectures and the PSRP are not acceptable. SFA clearly has to take action to provide **uninterrupted, mission-critical** service to SFA organizations and its customers and partners. SFA is mitigating these risks by specifically tailoring plans to each program. SFA will also mitigating procurement and scheduling risks by using, to the extent possible, existing competitively awarded IDIQ, GWAC or GSA Schedule contracts.